

AMENDED IN ASSEMBLY MAY 3, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1672

Introduced by Assembly Members Nation and Richman

February 22, 2005

An act to add Section 684 to the Business and Professions Code, to add Sections 1250.06, ~~1348.5~~, 1378.1, and 123149.1 to the Health and Safety Code, and to add Section 10119.1 to the Insurance Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 1672, as amended, Nation. Electronic recordkeeping systems.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a violation of the act a crime. Existing law also provides for the licensure and regulation of health insurers by the Department of Insurance and for the licensure and regulation of health facilities by the State Department of Health Services, other than psychiatric health facilities, which are licensed by the State Department of Mental Health. Under existing law, a violation of the provisions regulating health facilities is a crime.

This bill would require, before January 1, 2010, health facilities, health insurers, and health care service plans to record all health care information, as defined, they obtain in an electronic recordkeeping system. The bill would also impose this requirement on healing arts practitioners but would delay their compliance date to January 1, 2012. The bill would make health facilities and practitioners eligible for an increase in the amount of their Medi-Cal reimbursement upon complete implementation of the electronic recordkeeping system. The

bill would require the *State Department of ~~Managed Health Care Health Services~~* to develop standards before January 1, 2007, for the electronic recordkeeping system. The bill would create the California Patient Safety and Information Technology Fund that would be administered by the State Department of Health Services and would authorize the department to allocate revenue in the fund, upon appropriation by the Legislature, for financial assistance in developing electronic recordkeeping systems.

Because the bill would specify additional requirements for health facilities and health care service plans, the violation of which would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. This act shall be known as the Patient Safety
- 2 and Information Technology Act.
- 3 SEC. 2. The Legislature finds and declares all of the
- 4 following:
- 5 (a) Implementation of electronic recordkeeping systems for
- 6 medical records by hospitals, health insurers, health care service
- 7 plans, and health care providers will improve treatment outcomes
- 8 by creating a foundation for the development of evidence-based
- 9 medicine and will save lives by ensuring health care providers
- 10 timely access to important medical information about their
- 11 patient.
- 12 (b) By transitioning to an electronic recordkeeping system for
- 13 medical records, California's health care system will realize
- 14 billions of dollars in savings over the long term.
- 15 SEC. 3. Section 684 is added to the Business and Professions
- 16 Code, to read:
- 17 684. (a) A person licensed under this division shall, before
- 18 January 1, 2012, record all health care information obtained in

1 his or her practice in an electronic recordkeeping system. “Health
2 care information” means _____ *information pertaining to the*
3 *health of an individual or health care provided to an individual.*

4 (b) The electronic recordkeeping system shall comply with all
5 state and federal privacy requirements.

6 (c) A patient or former patient shall be allowed to access his or
7 her health care information that is maintained in the electronic
8 recordkeeping system pursuant to Chapter 1 (commencing with
9 Section 123100) of Part 1 of Division 106 of the Health and
10 Safety Code.

11 (d) Upon implementing an electronic recordkeeping system
12 that stores all health care information obtained in his or her
13 practice, the licensee shall be eligible for an increase of _____
14 percent in the amount of reimbursement received under the
15 Medi-Cal program (Chapter 7 (commencing with Section 14000)
16 of Part 3 of Division 9 of the Welfare and Institutions Code), if
17 the licensee is an enrolled provider.

18 SEC. 4. Section 1250.06 is added to the Health and Safety
19 Code, to read:

20 1250.06. (a) Notwithstanding any other provision of law, a
21 health facility shall, before January 1, 2010, record all health care
22 information obtained regarding its patients admitted to the
23 facility in an electronic recordkeeping system. “Health care
24 information” means _____ *information pertaining to the health of*
25 *an individual or health care provided to an individual.*

26 (b) The electronic recordkeeping system shall comply with all
27 state and federal privacy requirements.

28 (c) A patient or former patient shall be allowed to access his or
29 her health care information that is maintained in the electronic
30 recordkeeping system pursuant to Chapter 1 (commencing with
31 Section 123100) of Part 1 of Division 106.

32 (d) Upon implementing an electronic recordkeeping system
33 that stores all health care information, the facility shall be eligible
34 for an increase of _____ percent in the amount of reimbursement
35 received under the Medi-Cal program (Chapter 7 (commencing
36 with Section 14000) of Part 3 of Division 9 of the Welfare and
37 Institutions Code), if the facility is an enrolled provider.

38 (e) *The State Department of Health Services shall develop*
39 *statewide standards before January 1, 2007, for electronic*
40 *recordkeeping systems for health care information to ensure*

1 *uniformity in their content, operation, and their Internet access.*
2 *The standards developed shall be consistent with any federal or*
3 *national guidelines or standards in order to ensure maximum*
4 *interoperability of systems developed pursuant to this section*
5 *with other public and private systems.*

6 ~~SEC. 5. Section 1348.5 is added to the Health and Safety~~
7 ~~Code, to read:~~

8 ~~1348.5. The department shall develop standards before~~
9 ~~January 1, 2007, for electronic recordkeeping systems for health~~
10 ~~care information to ensure uniformity in their content, operation,~~
11 ~~and their Internet access. "Health care information" means ____.~~

12 ~~SEC. 6.~~

13 ~~SEC. 5. Section 1378.1 is added to the Health and Safety~~
14 ~~Code, to read:~~

15 1378.1. (a) A health care service plan shall, before January 1,
16 2010, record all health care information obtained regarding its
17 enrollees in an electronic recordkeeping system. "Health care
18 information" means ____ *information pertaining to the health of*
19 *an individual or health care provided to an individual.*

20 (b) The electronic recordkeeping system shall comply with all
21 state and federal privacy requirements.

22 (c) An enrollee or former enrollee shall be allowed to access
23 his or her health care information maintained in the electronic
24 recordkeeping system pursuant to Chapter 1 (commencing with
25 Section 123100) of Part 1 of Division 106.

26 ~~SEC. 7.~~

27 ~~SEC. 6. Section 123149.1 is added to the Health and Safety~~
28 ~~Code, to read:~~

29 123149.1. (a) The California Patient Safety and Information
30 Technology Infrastructure Fund is hereby established in the State
31 Treasury.

32 (b) The fund shall be administered by the State Department of
33 Health Services.

34 (c) The revenue in the fund, upon appropriation by the
35 Legislature, shall be allocated by the department to provide
36 low-interest loans and other financial assistance to health
37 facilities, health insurers, health care service plans, and persons
38 licensed under the provisions of Division 2 (commencing with
39 Section 500) of the Business and Professions Code for the
40 development of an electronic recordkeeping system for health

1 care information. “Health care information” means——
2 *information pertaining to the health of an individual or health*
3 *care provided to an individual.*

4 ~~SEC. 8.~~

5 SEC. 7. Section 10119.1 is added to the Insurance Code, to
6 read:

7 10119.1. (a) A health insurer shall, before January 1, 2010,
8 record all health care information obtained regarding its insureds
9 in an electronic recordkeeping system. “Health care information”
10 means——*information pertaining to the health of an individual*
11 *or health care provided to an individual.*

12 (b) The electronic recordkeeping system shall comply with all
13 state and federal privacy requirements.

14 (c) An insured or former insured shall be allowed to access his
15 or her health care information maintained in the electronic
16 recordkeeping system pursuant to Chapter 1 (commencing with
17 Section 123100) of Part 1 of Division 106 of the Health and
18 Safety Code.

19 ~~SEC. 9.~~

20 SEC. 8. No reimbursement is required by this act pursuant to
21 Section 6 of Article XIII B of the California Constitution because
22 the only costs that may be incurred by a local agency or school
23 district will be incurred because this act creates a new crime or
24 infraction, eliminates a crime or infraction, or changes the
25 penalty for a crime or infraction, within the meaning of Section
26 17556 of the Government Code, or changes the definition of a
27 crime within the meaning of Section 6 of Article XIII B of the
28 California Constitution.